

13 January 1982

MEMORANDUM

SUBJECT: A Perspective on Western Europe, 1982

1. A mutual crisis of confidence will underlie not only US-West European but intra-European relations as well during 1982. The touchstone will be responses to East-West tension, almost certain to be kept taut by the Polish situation, and to controversy over modernizing the European-based nuclear deterrent. Increasingly, the cynosure of the Atlantic and European arenas will be West Germany, whose (mostly unwanted but inherent) centrality to the complex of strategic, political, and economic interests that unite and divide Americans from Europeans, and Europeans among themselves, will never in the post-war era have received more exposure.
2. During this year, but probably only temporarily, the internal German political debate may focus more on the economy and less stridently--assuming a businesslike continuation of INF negotiations in Geneva--on missile deployments. The government coalition will be strained by contrasting approaches to combatting unemployment. In the background, moreover, will be worries, about long-term structural weaknesses, that will highlight the difficult choices Bonn faces between defense and welfare commitments and between meeting demands from the EC and other external requirements such as third-world development and support for Turkey.
3. The evidence that West Germany's economic strength--however good relative to its European partners--cannot be taken for granted may add to Bonn's growing self-preoccupation, already encouraged by a sense of diplomatic vulnerability over its Ostpolitik requirements, of dependence on developments in superpower relations, and of the increasing gap internally between German leadership and much of the public. A change of Government in Bonn will probably not occur before elections in the fall of 1984, but intense coalition differences or losses in crucial state elections could threaten the Schmidt government earlier. The principal concern both of Germans and other Europeans is that a premature change of regime not coincide with, and thus seem to be precipitated by, a German-US crisis, which might entail serious polarization of domestic German politics.
4. West Germany's response to the Polish crisis and evolving attitudes toward INF deployment will in any case continue to rivet European, as well as American, attention. For other Europeans, the success of Bonn's efforts to

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maintain Western (particularly US) confidence in its policies will influence their own ability to balance fidelity to the Alliance with preserving a potential for European autonomy. British, French, and Italians will not be loath to criticize German "softness" on East-West questions and will multiply reassurances to the US on their own Atlantic loyalties. But they will also try to support Bonn through joint European positions lest Germany's key role in sustaining the effective unity of both the Alliance and the EC tend to be nullified by US-German disputes and internal German deadlock.

5. The potential danger to Europe from differing responses to East-West tension may well foster greater seriousness this year among the EC-Ten about addressing the debilitating Community farm and budget problems and improving the concerting of foreign policies. But such "strategic" imperatives have failed before to overcome rivalry among Europeans, and diverging German and French domestic economic policies, for example, as well as the potential spillover within Europe of international protectionist pressures could again offset the impulse for greater agreement.

6. Renewed efforts to air security policy in European frameworks--the EC and the Western European Union--are also likely. Interest in such discussions will be symptomatic of continued uneasiness over East-West relations and perhaps also of European sensitivity to voices in the US arguing for reducing US military commitments to Europe in the light of broader US requirements. Security review in the Alliance itself, meanwhile, may still be on the agenda of the British, who have again broached the need for a thorough look at NATO forces and doctrine--characterized recently by one high official as "the inadequate backed by the incredible." The British and others attracted to overall policy reviews are probably aware that there may now be no politically palatable answers to Alliance security dilemmas, but hope nevertheless for results to justify national shifts of priorities they already feel compelled to make. Still, Europeans are also under pressure to appear responsive to the long-standing dissatisfaction with NATO doctrine among specialists that is increasingly being reflected in popular opinion and contributing to the malaise behind the peace movement.

7. How much southern Europe will add to European tensions during this year remains problematical. European Socialists appear influential enough to keep Turkey's relations with Western Europe at arms length while the military is in control, thus making more delicate any US endeavors to garner support for Ankara. European NATO members will not, however, countenance Greek suggestions for anti-Turkish steps within the Alliance. The Europeans will also be resistant to Greek attempts to use its EC membership to disrupt agreement which would otherwise be possible on East-West or Middle East questions. Spain, although it will come closer to, and may achieve, NATO membership this year (ratification by the Allies may take longer than the US had anticipated), will probably make little progress in negotiations with the Europeans toward the goal, domestically more popular than NATO, of EC entry. And potential threats to Spanish democracy may create new uncertainties in northern Europe about Spain's role.

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to be an inspiration to numerous people now under Moscow's domination and the major impediment to Soviet designs outside of its empire's borders. The primary goals of Moscow's policy toward the US will remain to circumscribe it militarily and to isolate it from its traditional allies. Arms control will be a primary vehicle to achieve both of these goals: to get some control over any US modernization programs, and to present any US hesitation to accept Moscow's proposals as proof of American bellicosity which imperils the entire world. The US response to this Soviet diplomatic and propaganda challenge will lay the major part in determining its success or failure.

6. Moscow's heavy reliance on military power has been partially self-defeating, because it has stimulated establishment of the operational foundations of an anti-Soviet US-Western Europe-Japanese-PRC alliance. But that de facto alliance is itself marked by contradictory impulses, some of which are fundamentally outside of Soviet control (e.g., the US dilemma over the PRC and Taiwan) but others which are subject to Soviet manipulation, the most important being the US-FRG rift.


7. Since it continues to see Europe as the principal East-West battleground, the USSR is giving priority attention to that continent and in particular to Germany -- a nation whose undetermined place in the European concert of nations has brought about two wars in this century. After 1945, a vanquished Germany was divided and the two halves eventually incorporated into opposing alliances. Now three interrelated developments, in the half hitherto firmly anchored in the Western alliance are offering the USSR political and economic openings. First, the FRG, particularly under Schmidt's leadership, is seeking to play a more important role in the East-West field -- still beneath the umbrella of the alliance but, in effect, more independent from it. Second, there is the reemergence of the old geopolitical strand of German thinking that seeks closer ties with Moscow. Third, there is a convergence of big business and labor desires for closer economic ties to the East -- another repetition of a trend which marked German policy in the 20's and 30's. The USSR has already had some success in capitalizing on these impulses and will continue its efforts to do so.

8. In Asia, despite its previous failures, Moscow may soon perceive new opportunities to improve its relations with Japan. That country's motivation is mainly economic as it looks for new sources of raw materials and markets to high technology goods. Any progress in Soviet efforts to split the European alliance will make it easier for Moscow to persuade Japan that the USSR meets both of Japan's trading needs.

9. The USSR will also continue to pay great attention to any opportunity to move China away from the US. It will maintain a high military capability along its border, refuse to make any significant concessions (particularly on the disputed border question), but will also make sporadic efforts to reopen a dialogue. Its primary effort is still damage-limitation; but this could be transformed into a drive for positive gains if PRC-US relations deteriorate.

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8. It is not impossible, meanwhile, that an Italian Communist bid for a governmental role could, during the year, again pose a dilemma for the US and for Italy's European partners. The Polish crisis has enabled the PCI again to mark its distance from the Soviet Union. How much political credit it will gain in Italy remains to be seen, but the party will doubtless maintain that it would be a viable partner for either Socialists or Christian Democrats in the event of a downfall of the Spadolini-led coalition. Given the rivalries between and within the two other major parties, continued ostracism of the Communists, while likely, cannot be taken for granted. Neither can a united European opposition to a PCI that belittles Soviet-style socialism, favors INF "balance," and is resolutely pro-European.


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for Western Europe

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